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Analysis of Phase III of the Golden Tax Project

解读金税工程三期

FEATURES: What Is the Direction of the Export Tax Rebate Regime of China?

- 我国出口退税制向何处去 • Issuance and Replacement of Tax Registration Certificates to Strengthen the Domicile Administration of Tax Sources • 全面换发税务登记证
- 加强税源户籍管理 • Administration and Practice of Tax Invoices • 发票管理及实务操作 •

Administration and Practice of Tax Invoices

(Part of the contents is applicable to payers of business tax)

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Type of tax invoices issued depends on the taxpayer's status

	General VAT payer	Small scale VAT payer
VAT special invoice	Issue invoice on its own? Yes	Cannot issue invoice (Must be done at tax office)
Ordinary invoice	Issue invoice on its own? Yes	Issue invoice on its own? Yes

TRANSACTIONS FOR WHICH VAT SPECIAL TAX INVOICES ARE NOT TO BE USED

1. Small taxpayer supplies goods or taxable services;
2. Sales of VAT-exempt goods;
3. Supply of goods or taxable services to consumers;
4. Supply of specific goods (cosmetics, cigarettes, and vehicles etc);
5. The buyer is a payer of business tax (such as property developers, construction companies, advertising or transportation companies);
6. Sale of export goods;
7. Goods are to be used for collective or personal consumption; and
8. Gift of goods at no consideration.

SALES AMOUNT, VAT, AND INVOICED VALUE FOR BUSINESS QUOTATIONS

Given that invoiced value including VAT is 100.

General taxpayer
 $VAT = 100 / 1.17 \times 17\% = 14.53$
 $Sales\ amount = 100 / 1.17 = 85.47$

Small scale taxpayer
 $VAT = 100 / 1.06 \times 6\% = 5.67$ (production enterprise)
 $Sales\ amount = 100 / 1.06 = 94.33$
 $VAT = 100 / 1.04 \times 4\% = 3.85$ (Commercial enterprise)

QUALIFICATION FOR BEING RECOGNIZED AS VAT GENERAL TAXPAYER

1. Annual sales reaching 1 million yuan or above (production enterprises) or 1.8 million yuan or above (commercial enterprises);
2. Taxpayer should submit application;
3. The accounting staff holds a license and the books are kept in accordance with PRC accounting rules;
4. Maintaining a sound accounting system to enable tax officials to ascertain the output VAT and input VAT; and
5. Tax invoices are properly kept in accordance with the provisions.

COMPUTATION OF VAT PAYABLE

	Method	VAT payable
I	Simple computation (Small scale taxpayer)	Sales amount x levy rate (Note: no input credit)
II	General computation (General taxpayer)	Output VAT - Input VAT

COMPARING GENERAL VAT PAYER AND SMALL SCALE TAXPAYER

(Example 1)

General VAT payer

- Sales 1,000; (VAT 17% = 170)
- Purchase 900; (VAT 17% = 153)
- VAT = (1,000 - 900) x 17% = 170 - 153 = 17

Small-scale taxpayer

- VAT = 1,170 / 1.06 x 6% = 66.23 (Production Enterprise)
- VAT = 1,170 / 1.04 x 4% = 45 (Commercial Enterprise)

COMPARING GENERAL VAT PAYER AND SMALL SCALE TAXPAYER

(Example 2)

General VAT payer

- Sales 1,000; (VAT 17% = 170)
- Purchase 100; (VAT 17% = 17)
- VAT = (1,000 - 100) x 17% = 170 - 17 = 153

Small-scale taxpayer

- VAT is the same as Example 1 above.

COMPARING TAX BURDENS

By comparison, the percentage of added value in Example 1 is low and thus the tax burden is lower; the percentage of added value in Example 2 is high and the tax burden is higher.

- Percentage of value added = (Sales - Purchase) / Sales x 100%
- Percentage of Value Added and Tax Rate are not necessarily the same.
- For general taxpayer, VAT is computed on the percentage of value added; for small taxpayer, VAT is computed on the sales amount.

VAT LIABILITY VERSUS TAX INVOICE

- VAT liability is independent of the type of tax invoices used.

SCOPE OF VAT / BUSINESS TAX

Type	Scope of tax	Including
VAT	Sale of goods; importation of goods	Providing processing, repairing and replacement service
Business Tax	Supply of taxable services; transfer of intangible assets	Sale of immovable property

FUNCTION OF TAX INVOICES

1. Sales recognition
2. Original document for accounting use
3. Tax computation
4. Receipt

UNLAWFUL ACTS OF HANDLING TAX INVOICES (APPLICABLE TO VAT AND BUSINESS TAX PAYERS)

1. Purchasing tax invoices from organizations or individuals other than the tax bureau;
2. Sale or transfer of blank tax invoices for a profit;
3. Providing tax invoices for other parties or borrowing tax invoices from other parties; and
4. Using receipts in lieu of tax invoices.

UNLAWFUL ACTS FOR ISSUING INVOICES

1. Failure to issue invoices for taxable transaction;
2. Issue invoices on behalf of third party or request third party to issue invoice;
3. Issuing invoices for fictitious transactions;
4. Goods do not matched with details in invoices issued; and
5. Issuing invoices for transactions which fall outside the scope of VAT.

INTERNAL CONTROL SYSTEM FOR TAX INVOICES (APPLICABLE TO VAT AND BUSINESS TAX PAYERS)

1. Designated personnel in charge of safekeeping blank tax invoices;
2. Keep unused tax invoices in a safety box;
3. Division of duty between custody and issue of invoices; and
4. Division of duty between keeping invoice stamp and using stamp for invoicing purposes.

RULES AND PENALTY FOR LOST OR STOLEN TAX INVOICES (APPLICABLE TO VAT AND BUSINESS TAX PAYERS)

1. Taxpayers shall report to tax bureau immediately;
2. Publish a public notice (Declaration of lost invoices) on designated media;
3. Paying the publishing fee;
4. A taxpayer who fails to keep tax invoices in good custody is liable for a fine below RMB10,000, and is not allowed to purchase tax invoices from the tax authority for a certain period;
5. If it is found that lost tax invoices have been used fraudulently, the taxpayer shall assume legal responsibility for tax evasion jointly and severally.

TIME FOR ISSUING TAX INVOICE

- Sales on cash-and-carry terms: date of receipt of payment;
- Credit sales: date of payment stipulated in the agreement;
- Consigned sales: date of receipt of consignment order;
- Advanced deposit: date of shipment (For property developers, date of receipt of pre-sale payment).

REVENUE MEASUREMENT AND TAX INVOICES

A wholesaler sells goods to a retailer for RMB1 million and gives a trade discount of 20% to the retailer. The wholesaler issues a VAT Special Invoice for RMB 1 million, and issues a credit note of RMB200,000. The analysis of the accounting and tax treatment are as follows:

Sales recognized under accounting rules: RMB 0.8 million;
the sales amount under VAT and income tax rules: RMB 1 million.

The use of credit note results in higher amount of tax payable. The trade discount should be printed on the same VAT special invoice in order to obtain the deduction from gross revenue. (See *Guoshuifa* (1997) No. 472)

After receipt of goods, the retailer discovers that some goods have quality problems. The wholesaler agrees to give a 10% discount on gross amount of RMB1 million. Accordingly, it issues a second credit note for RMB100,000 million to the retailer. The account receivable from

the retailer is further reduced from RMB800,000 to RMB700,000.

The tax implication is as follows:

- The use of credit note is not tax efficient.
- Since the quality problem is discovered after delivery, the wholesaler cannot state the sales discount on the original VAT special invoice.

There are two possible treatments, depending on whether the buyer can return the tax invoice:

- If the buyer can return the tax invoice and the copy, the wholesaler can issue a revised tax invoice;
- If the buyer already made payment or has used the tax invoices for accounting purposes, the seller needs to obtain from the buyer a copy of "Notice of Issuing VAT Special Credit Note" issued by the tax bureau in charge at the city where the buyer is located before the seller can issue credit note and reduce the sales amount for VAT and IT purposes.

See SAT Document Guo Shui Fa (2006) No. 156

TAXATION ON RETURNED GOODS TAKING PLACE ACROSS DIFFERENT ACCOUNTING PERIODS

Company A sold goods costing RMB70 to Company B for RMB100 on 10th December 20X1. Company B returned the goods on 28th January 20X2. The board of directors of Company A had not approved the financial statement for the year ended 20X1 until 31st March 20X2. Assuming that the corporate income tax rate is 30% and we also ignore the legal requirement for profit appropriations. In accordance with the accounting rules for post-balance sheet events, the accounting entries for goods returned taking place after the balance sheet date but before the approval of the accounting reports will be as follows:

(1) Adjusting sales income
Dr. Prior year adjustment (Profit & Loss) – 100
Dr. VAT payable – 17
Cr. Account Receivable – 117

(2) Adjusting cost of sales
Dr. Stock in trade + 70
Cr. Prior year adjustment (P / L) + 70

(3) Adjusting the income tax $30\% \times 30 = 9$

Dr. Income tax payable - 9

Cr. Prior year adjustment + 9

(4) Adjusting the retained profit

Dr. Retained profit -21

Cr. Prior year adjustment +21

The balance sheet extracts will show the following:

Assets		Liability	
Inventory	+ 70	Retained profit	- 21
Account receivable	- 117	Tax payable	- 17 - 9
Total	- 47	Total	- 47

The PRC accounting rules require the adjustment to be made to the profits of the preceding year in accordance with the rules for post-balance sheet events since the directors have not approved the accounting reports. The VAT rules do not allow the return of goods to be adjusted retrospectively. The adjustment should be made in January 2005 when the return of goods took place. Again it is assumed that the accounting profit and the taxable income report no differences, RMB1,000 in 2004 and RMB3,000 in 2005 respectively. The accounting reports, income tax returns and VAT returns will show the adjustments in different periods:

	Profit and Loss Account	Income Tax Return	VAT Returns
Income 2004	1,000 - 100	1,000 - 100	1,000
Income 2005	3,000	3,000	3,000 - 100
Both 2004 and 2005	3,900	3,900	3,900

TAXATION ON RETURNED GOODS WITH QUALITY OR SPECIFICATION PROBLEM IN IMPORT-EXPORT TRANSACTIONS

- If the imported goods are returned in original condition within one year from the importation date, the Chinese Customs shall not impose export tax; the consignee can apply for the refund of import duty and VAT within one year from the date of duty and VAT payment.

- If the export goods are returned in original condition within one year from the exportation date, the Chinese Customs shall not impose import duty and VAT; the consignor can get a refund for export tax, if any, within one year from the date of making the export tax payment, subject to the return of VAT refund for export goods.

TAXATION ON COMPENSATION GOODS AT NO CONSIDERATION RELATING TO IMPORT-EXPORT TRANSACTIONS

- After completing the procedure for the return of import goods or surrendering the import goods to the Customs, the consignee can import identical compensation goods at no consideration and tax-free, on the condition that the duty and VAT paid has not been refunded.
- After the return of export goods, the consignor can export identical compensation goods at no consideration and tax-free.
- The taxpayer shall exercise its right to apply for duty and tax exemption on the compensation goods within the warranty period under the contract, subject to a maximum period of three years. If the taxpayer does not submit the application within the stipulated period, the Customs shall not entertain the application for duty and tax exemption. CTI

发票管理及实务操作

(部份适用于营业税纳税人)

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出具什么种类发票视开票人的纳税地位而定

	一般纳税人	小规模纳税人
增值税专用发票	可以自己开票	不可以 (必须到税局开票)
普通发票	可以自己开票	可以自己开票

不得使用增值税专用发票的交易

1. 小规模纳税人销售货物及提供应税劳务;
2. 销售免税货物;
3. 向消费者销售货物及提供应税劳务;
4. 销售特定货物(例如:化妆品、香烟及轿车等);
5. 买方是营业税纳税人(例如:房地产开发商、建筑公司、广告经营者、运输公司等);
6. 销售出口货物;
7. 货物用于集体福利或个人消费;及
8. 将货物无偿赠送他人。

商业报价与销售额、税金及发票金额

假如含税发票金额是RMB100

一般纳税人

增值税 = $100 / 1.17 \times 17\% = 14.53$

不含税销售额 = $100 / 1.17 = 85.47$

小规模纳税人

增值税 = $100 / 1.06 \times 6\% = 5.67$ (生产型企业)

不含税销售额 = $100 / 1.06 = 94.33$

增值税 = $100 / 1.04 \times 4\% = 3.85$ (商业企业)

增值税一般纳税人认定条件

1. 年销售额100万元或以上(生产型企业)或180万元或以上(商业企业);
2. 纳税人提出书面申请;
3. 会计人员持上岗证,帐簿设置符合规定;
4. 会计核算制度健全,能准确核算销项税及进项税;及
5. 发票保管符合规定。

增值税应纳税额

	计算方法	应纳税额
I	简易方法 (小规模纳税人)	销售额 × 征收率 (注:不能抵扣进项税)
II	一般方法 (一般纳税人)	销项税额 - 进项税额

一般纳税人与小规模纳税人比较(例一)

一般纳税人

- 销售额1,000; (增值税17% = 170)
- 购货额900; (增值税17% = 153)
- 增值税应纳税额 = $(1,000 - 900) \times 17\% = 170 - 153 = 17$

小规模纳税人

- 增值税 = $1,170 / 1.06 \times 6\% = 66.23$ (生产型企业)
- 增值税 = $1,170 / 1.04 \times 4\% = 45$ (商业企业)

一般纳税人与小规模纳税人比较(例二)

一般纳税人

- 销售额1,000; (增值税17% = 170)

- 购货额100; (增值税17% = 17)
- 应纳税额 = (1,000 - 100) × 17% = 170 - 17 = 153

小规模纳税人

- 增值税同例一。

税负比较

相对来说，例一增值率低，税负较轻；例二增值率高，则税负较高。

- 增值率 = (销售价 - 购货价) / 销售价 × 100%
- 增值率不一定等于税率。

一般纳税人按增值额

- 计税；小规模纳税人销售额计税。

增值税纳税义务对比税务发票

- 是否负有增值税纳税义务与所使用发票没有必然关系。

增值税与营业税征税范围

种类	征税范围	包括
增值税	销售货物；进口货物	提供加工、修理、修配服务
营业税	提供应税劳务；及转让无形资产	销售不动产

发票的功能

1. 销售确认
2. 原始记帐凭证
3. 计税依据
4. 收款收据

违规处理发票行为 (适用于增值税和营业税纳税人)

1. 向主管税务机关以外的单位或个人购买发票；
2. 转让未使用空白发票谋利；
3. 向他人提供，或向他人借用发票使用；及
4. 以收据代替发票。

违规出具发票行为

1. 发生应税交易不出具发票；
2. 替第三方出具或由第三方出具发票；

3. 没有真实交易的情况下出具发票；
4. 发票货物名称、数量、单价与实际交易不一致；及
5. 超出增值税纳税范围的情况下出具发票。

发票管理的内部控制制度 (适用于增值税和营业税纳税人)

1. 由专人保管空白发票；
2. 使用保险柜(箱)存放发票；
3. 保管发票与出具发票员工岗位分工；及
4. 保管发票印章与开票员工岗位分工。

丢失遗失发票办事程序和处罚(适用于增值税和营业税纳税人)

1. 纳税人须实时向税务机关报告；
2. 指定刊物刊登公告(遗失声明)；
3. 支付公告费用；
4. 未按规定保管发票的纳税人可处以1万元以下罚款，并可在一定期限内停止领购发票；
5. 如发票被盗用后又被虚开，纳税人承担偷税连带责任。

出具发票时间点

- 交款提货：在取得货款当日；
- 赊账销售：按合同约定付款日期当天；
- 寄售：收到寄售清单当天；
- 预收款：在发出货物的当天（房地产发展商销售不动产，为收到预收款当天）。

收入计量与发票

一批发商向零售商销售货品价值100万元，按批发价折扣20%，批发商出具增值税专用发票100万元及开具红字发票20万元。会计及税务分析如下：

会计记帐确认销售净额为80万元；增值税及所得税确认销售额为100万元。

开具红字发票须多纳税款。根据国税发(1997) 472号文件，商业折扣必须打印在同一张销售发票上，才可以按销售净额计税。

收货后，零售商发现质量问题，批发商同意再按原价折让10%，批发商再开具红字发票10万元，同时将应收帐款由80万元减至70万元。

税务分析如下：

- 可以使用红字发票但不能节省税款。
- 由于在送货后才发现质量问题，销售折让不可能反映在原来的发票内。

视乎买方能否退回发票，可以按下列方式办理：

- 如果买方可以退回发票及抵扣联，卖方可以按折让价格重新开具发票；
- 如果买方已经付款或者已将发票作会计录帐用，销货单位需要取得由买方税务机关出具的"开具红字增值税专用发票通知单"，才能出具红字发票冲帐，及按销售净额计算税款。

参考文件：国税发(2006)156号。

跨越年度退货的会计及纳税问题

A公司在20X1年12月向B公司销货人民币100，成本为人民币70。在20X2年1月28日B公司退回上述货物。董事会在20X2年3月31日才批准20X1年度的财务报表。假设公司的所得税率是30%，暂时也不考虑税后利润分配的有关规定。资产负债表日及之前售出的商品在资产负债表日至财务会计报告批准报出日之内发生退回的，应当作为资产负债表日后事项的调整事项处理。会计调整如下：

(1) 收入调整

以前年度损益调整 - 100
 应付增值税 - 17
 应收账款 - 117

(2) 销售成本调整

库存 +70
 以前年度损益调整 +70

(3) 所得税调整

应付税款(所得税) - 9
 以前年度损益调整 + 9

(4) 未分配利润调整

未分配利润 - 21
 以前年度损益调整 +21

资产负债表调整部分

资产		负债	
库存	+70	未分配利润	-21
应收账款	-117	应付税款	-17 -9
总数	-47	总数	-47

因为董事会还没有批准财务报表，中国会计准则规定按资产负债表结算日后事项处理，退货需要在2004年度调整；增值税规定不同，退货不能在以前期间调整，有关退货必须在退货发生当月也就是在下年度作调整。假设会计利润和税前利润都没有差异，在2004年是人民币1,000而在2005年是人民币3,000。会计报表、所得税和增值税申报在不同年度的调整比较如下：

	利润表	所得税申报	增值税申报
2004年收入	1,000 - 100	1,000 - 100	1,000
2005年收入	3,000	3,000	3,000 - 100
2004及2005年度收入	3,900	3,900	3,900

因质量或规格原因进出口退运货物的纳税问题

- 已经进口货物按原状退货，海关核实后不征收出口税，收货人在缴纳税款之日起一年内可申请退还关税及进口环节增值税。
- 已出口货物按原状退货，海关核实后不征收进口税，可在一年内免税进口；如果已经征收出口税，该出口税款可以在缴纳税款之日起一年内退还，但发货人需补回已取得的出口退税。

无偿更换进出口货物的纳税问题

- 办妥原进口货物退运手续，或者原货物已被放弃交由海关处理，原税款未退还的，收货人可免税进口相同无代价抵偿货物；
- 办妥原出口货物退运进口手续，发货人可免税出口相同无代价抵偿货物。
- 纳税人须在合同规定的索赔期内(最长不超过三年)向海关申请办理索赔货物进出口手续，超出索赔期限，海关不予受理。CTI